



STATE OF WASHINGTON

DEPARTMENT OF LABOR AND INDUSTRIES

Procedures for Contracts \$2500 or Less

RCW 39.12.040 (2) provides for the processing of the Statements of Intent to Pay Prevailing Wages and Affidavits of Wages Paid by the agency administering the contract valued at \$2500 or less. This is an alternative to the processing of those forms by Labor and Industries and has the potential to lower your costs for this work and speed up the processing of paperwork necessary for paying the contractor.

Attached is a copy of the form (we have combined the Intent and the Affidavit forms for purposes of this procedure). The instructions for filling out the form are on the back of the form.

For contracts of this size, it is likely that the method of selecting a contractor and issuing a 'contract' is streamlined. For example, fully advertised competitive bidding, as is required for large projects, may not be required for contracts this size. Instead, a less formal method may be authorized. Regardless of the method of award, we suggest that the requirement to pay prevailing wages be communicated to the contractor as early in the process as practical. You should provide the contractor with the appropriate listing of prevailing wages at that time.

Revised prevailing wages are published by the Department on the first business day of February and the first business day of August each year, and become effective 30 days after publication. Wage rates are available on our website at:

<http://www.lni.wa.gov/TradesLicensing/PrevWage/default.asp>

The prevailing wages applicable to a particular public work project are the rates in effect at the time the project is bid. For projects not awarded within six months of the bid date, the prevailing wages in effect at the time of contract execution are the ones that apply. For the purposes of this (\$2500 or less) procedure, please use the contract execution date since competitive bidding is likely to be avoided for these small contracts.

Also, these contracts are likely to be of short duration. The work may be completed in just a few days or less, so that separate Intent and Affidavit forms would make little sense. For this reason, the forms have been combined into one. The law still seems to require that the Intent be filed prior to making any payments to the contractor, and the Affidavit is required for final payment. If a single payment is made after completion of the work, you may require that the combined form be filled out and signed in your presence after completion, as a condition of making the final (and only) payment.

If progress payments will be made, we suggest you require the contractor to sign a completed form prior to making payments, and to sign another completed form prior to

making final payment.

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The procedures outlined in RCW 39.12.040 (2) seem to increase your agency's involvement if a wage claim is filed and it is determined that a worker did not receive the appropriate prevailing wage. For this reason, you may want to require additional monitoring documents such as certified payroll records, copies of check stubs, verification of benefit payments, etc. These are not required as part of this procedure, but may be required by your agency as a control.

Once each month, you should send to the Prevailing Wage Office copies of the Intent/Affidavit forms you have collected. WAC 296-127-030 and -040 require that your agency forward to the Department twenty dollars for each form you collect. For agencies following the procedures described in this memorandum, and using the attached combined form, the fee is waived. The copies you forward to the Department monthly need not be accompanied by any fees. You should also keep copies of the Intent/Affidavit forms filed by contractors for a period of three years.

If a contractor uses an apprentice and lists the reduced wage on the form, you will need to contact the Department to verify both the apprentice's registration status and proper wage rate.

In short, your requirements are:

- Notify the contractor of the requirement to pay prevailing wages and provide a listing of the appropriate prevailing wage rates.
- Require the contractor to sign a completed Intent/Affidavit form prior to issuing any payments and prior to issuing the final payment.
- Monthly, provide to the Department copies of the forms you have collected over the previous month.
- Keep copies of the forms filed by contractors for a period of three years.

You are welcome to make copies of any of the documents including the Intent/Affidavit form, or contact the Prevailing Wage office for additional copies.

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